

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

Adrienne Arrington, *et al.*,

Plaintiffs,

vs.

H.I.G. CAPITAL MANAGEMENT LLC, *et al.*,

Defendants.

C.A. No. 24-00550-RGA

**JOINT STATEMENT PURSUANT TO LOCAL RULE 81.2**

Plaintiffs, Defendant H.I.G. Capital Management, LLC, and Defendant Mandy Dowson (collectively, the “Parties”) submit this Joint Statement in accordance with Local Rule 81.2 of the Local Rules of Civil Practice and Procedure of the United States District Court for the District of Delaware.

This action was commenced in the Superior Court of the State of California, County of Los Angeles on January 5, 2024 by the filing of the Complaint by Plaintiffs against Defendants. On February 8, 2024, this matter was removed from the Superior Court of the State of California, County of Los Angeles to the U.S. District Court for the Central District of California, Western Division – Los Angeles. The U.S. District Court for the Central District of California, Western Division – Los Angeles transferred the matter to this Court on May 3, 2024 pursuant to a motion filed by Defendant H.I.G. Capital Management, LLC (“H.I.G.”).

***Defendants’ Position***

Defendants assert that this action is related to cases under Title 11 pending in this District, as follows: *In re Jenny C Holdings, LLC*, Case No. 23-10580 (JKS) (Bankr. D. Del.); *In re Jenny C. Intermediate Holdings, Inc.*, Case No. 23-10581 (JKS) (Bankr. D. Del.); *In re Jenny C*

*Acquisition, Inc.*, Case No. 23-10582 (JKS) (Bankr. D. Del.); *In re Craig Holdings, Inc.*, Case No. 23-10583 (JKS) (Bankr. D. Del.); *In re JC Franchising, Inc.*, Case No. 23-10584 (JKS) (Bankr. D. Del.); and *In re JC USA, Inc.*, Case No. 23-10585 (JKS) (Bankr. D. Del.). Defendants further assert that, pursuant to this Court's Amended Standing Order of Reference dated February 29, 2012, this action should be referred to the Bankruptcy Court.

***Plaintiffs' Position***

Plaintiffs assert that this action should not be referred to the Bankruptcy Court because, among other things, (i) the litigation involves a dispute solely between non-debtor parties, (ii) no core bankruptcy issues are implicated, (iii) questions of California state employment law not only predominate but, in fact, there are no bankruptcy issues involved, (iv) the plaintiffs have a right to a jury trial, (v) the litigation, involving non-debtors, will unduly and unnecessarily burden the Bankruptcy Court's docket, and (vi) the litigation will have virtually no effect on the efficient administration of the above-referenced bankruptcy cases which are chapter 7 liquidation cases involving defunct business entities who are not parties to the litigation.

In addition to the holding of a scheduling conference in accordance with F.R.C.P. 16, on May 17, 2024, H.I.G. filed a motion to dismiss pursuant to F.R.C.P. 12(b)(6) as its responsive pleading. H.I.G. expects Plaintiffs to file an opposition brief and H.I.G. intends to file a reply brief prior to the Court holding a hearing and/or issuing an order on H.I.G.'s motion. Defendant Dowson requests that any response for her not be due until the Motion to Dismiss is ruled upon. At this time, there are no other pending matters that require judicial action.

Dated: May 24, 2024

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